

## Message Text

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ACTION EUR-12

INFO OCT-01 AF-10 ARA-14 EA-12 ISO-00 OES-07 EB-08  
NSAE-00 ICA-20 TRSE-00 SOE-02 DOE-15 CIAE-00  
COME-00 ACDA-12 INR-10 IO-14 L-03 NSC-05 NRC-07  
SS-15 SP-02 CEQ-01 PM-05 PA-02 /177 W  
-----052326 272043Z /46

R 271045Z JUN 78  
FM AMCONSUL STUTTGART  
TO SECSTATE WASHDC 4439  
INFO AMEMBASSY BONN  
AMEMBASSY BRASILIA  
AMEMBASSY BRUSSELS  
AMEMBASSY JAKARTA  
AMEMBASSY KINSHASA  
AMEMBASSY THE HAGUE  
AMEMBASSY LONDON  
AMCONSUL LUBUMBASHI  
AMEMBASSY LUXEMBOURG  
AMEMBASSY MOSCOW  
AMEMBASSY PARIS  
AMEMBASSY ROME  
USMISSION USNATO  
JCS/DIA WASHDC

UNCLAS STUTTGART 1228

E.O. 11652: N/A  
TAGS: TSPA, PEPR, MPOL, GW, CG, FR, XG  
SUBJECT: OTRAG PRODUCTION PLANS

REF: A) PARIS 19789 (NOTAL) B) STUTTGART 1019 (NOTAL)

SUMMARY: OTRAG CHAIRMAN KAYSER HAS INFORMED THE GERMAN PRESS  
AGENCY THAT, ENCOURAGED BY "TECHNOLOGICAL SUCCESS", OTRAG WILL  
BEGIN COMMERCIAL PRODUCTION OF ITS ROCKETS NEXT YEAR. THE FIRM  
HAS NOT YET DECIDED WHERE TO LOCATE PRODUCTION FACILITIES WHICH  
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WOULD EMPLOY 2,000 PEOPLE. KAYSER AGAIN EMPHASIZED THAT THESE  
ROCKETS WILL HAVE NO MILITARY APPLICATION. HE MAY HOPE THAT  
GREATER CREDIBILITY AND A DESIRE TO INFLUENCE LOCATION OF  
PRODUCTION WILL ENCOURAGE THE WEST GERMAN GOVERNMENT TO ADOPT  
A MORE POSITIVE ATTITUDE TOWARD OTRAG. END SUMMARY.

1. ACCORDING TO THE PRESS, OTRAG CHAIRMAN LUTZ T. KAYSER RECENTLY

INFORMED THE GERMAN PRESS AGENCY (DPA) IN STUTTGART THAT OTRAG WILL BEGIN COMMERCIAL PRODUCTION OF ITS ROCKETS NEXT YEAR. THE FIRM WILL DECIDE THIS YEAR WHERE TO INVEST THE 500 MILLION DM OR MORE REQUIRED TO ESTABLISH A FACTORY TO EMPLOY 2,000 PERSONS. KAYSER SAID THAT THE GOVERNMENT CONTINUES TO OPPOSE THIS PROJECT.

2. KAYSER ACCUSED THE WEST GERMAN GOVERNMENT OF TIGHTENING EXPORT CONTROLS TO THE POINT THAT IT WAS ALMOST IMPOSSIBLE TO EXPORT ROCKET COMPONENTS TO ZAIRE. THE GOVERNMENT, GIVEN THE PROTESTS OF THE SOVIET UNION AND ITS ALLIES, "OBVIOUSLY" CONSIDERS IT UNDESIRABLE THAT A GERMAN ROCKET FIRM HELP THIRD COUNTRIES TO ACQUIRE ROCKET TECHNOLOGY. HE ADDED THAT OTRAG OPERATIONS HAVE THUS FAR MET WITH NO OBJECTIONS FROM THE USA.

3. THE TWO LAUNCHES IN ZAIRE THIS YEAR, ON MAY 20 AND JUNE 5, WERE "TECHNICALLY SUCCESSFUL". THE FAILURE ON JUNE 5 WAS DUE TO THE RETARDED FUNCTION OF A TRAJECTORY CONTROL VALVE WHILE THE PROPULSION SYSTEM HAD BEEN PROVED TO BE CAPABLE AND WAS NOW READY FOR COMMERCIAL PRODUCTION. THE FIRST SHOT (MAY 1977) REACHED A HEIGHT OF 15 (8)OMETERS, THE SECOND (MAY 1978) ROSE TO ABOUT 30 KMS, AND THE THIRD (JUNE 5) WAS SUPPOSED TO REACH 80 KM. COMPARED TO THE EXPERIMENTAL SERIES OF THE OTHER ROCKET PRODUCERS, OTRAG HAD OPTIMAL RESULTS WITH AN EXPENDITURE TO DATE OF ONLY 120 MILLION DM. OTRAG'S FIRST TWO-STATE ROCKET WILL BE STARTED THIS YEAR WITH A GOAL OF REACHING OVER 200 KM ALTITUDE. IN LATE 1979 OR EARLY 1980, THE FIRST THREE-STATE ROCKET WILL GO UNCLASSIFIED

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INTO ORBIT.

4. KAYSER EMPHASIZED THAT OTRAG ROCKETS WOULD BE USED FOR COMMERCIAL PURPOSES ONLY. MILITARY APPLICATION WOULD BE TOO EXPENSIVE, OUTMODED GIVEN BETTER TECHNICAL ALTERNATIVES, AND WOULD BE HARMFUL TO OTRAG SINCE IT WOULD SPOIL THE COMPANY'S COMMERCIAL MARKET. OTRAG'S AIM IS TO FACILITATE THE ORBIT OF COMMUNICATIONS AND EARTH OBSERVATION SATELLITES FROM 1980 ON. KAYSER CLAIMED THAT OTRAG ALREADY HAD TWO FIRM ORDERS.

5. AN OTRAG SPOKESMAN DECLARED THAT FINANCING NOW AVAILABLE WILL COVER REQUIREMENTS FOR THE NEXT ONE AND ONE-HALF YEARS. OVER 1,000 PERSONS - PRINCIPALLY DOCTORS, LAWYERS AND ENGINEERS - HAVE SUBSCRIBED TO SHARES IN THE FIRM.

6. COMMENT: KAYSER MAY WELL HOPE THAT SPREADING THE WORD ON OTRAG'S "TECHNOLOGICAL SUCCESS", REPEATED DENIAL OF POSSIBLE MILITARY APPLICATION, AND POINTING UP UNCERTAINTY OVER EVENTUAL LOCATION OF PRODUCTION FACILITIES THAT HE CLAIMS COULD EMPLOY 2,000 PEOPLE, WILL ENCOURAGE THE WEST GERMAN GOVERNMENT TO ADOPT A MORE POSITIVE ATTITUDE TOWARD OTRAG. MILLER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
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**Concepts:** PRODUCTION, PRESS COMMENTS, TEST FACILITIES, MISSILE RANGES, COMMUNICATION SATELLITES  
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**Disposition Case Number:** n/a  
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**TAGS:** TSPA, PEPR, MPOL, GE, CG, FR, XG  
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